

# Put Your Company in the Spotlight

# The pARTnership Movement

The arts help you build market share, enhance your brand, and reach new customers

By Aaron Dalton





### THE BIG IDEA

rts partnerships frequently offer companies effective and cost-efficient methods of achieving critical business goals. Americans for the Arts is producing a series of essays that explore and illustrate the different types of benefits that arts partnerships can bring to your company. In this particular essay, we demonstrate how arts partnerships can help strengthen your company's brand.

You probably already know that branding is important, but have you ever stopped and tried to define what your "brand" actually means? Businessweek writer Karen Klein cut through the jargon by explaining that your brand is not your organization's products or your services or your logo—your brand is the genuine "personality" of your company.

This makes sense. Lots of companies make sodas or shoes or computers, but Nike or Pepsi or Apple have legions of admirers and fans not just because of the quality of their products, but also because of the image and personality of the company—the brand. People patronize these popular organizations because they want to adopt and claim the corporate brand as part of their own identity—their "personal brand." People pay premium prices for Apple electronics, Starbucks coffee, Mercedes automobiles, Armani suits, and Rolex watches not just because those companies make high-quality products, but also because driving, wearing, using, or drinking these branded items allows consumers both to express their identities and communicate their good taste by expressing an affiliation with those brands.

Intuitively, we can see the value of having a good brand image. Who wouldn't want to have a likeable corporate personality? But companies would not spend vast sums of money on building their brands just to win a personality contest unless there were other tangible rewards.

Customers must recognize that you stand for something.

> Howard Schultz, chairman and CEO of Starbucks

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**79** 

PERCENT OF BUSINESSES AGREE THAT THE ARTS INCREASE NAME RECOGNITION

74

PERCENT OF BUSINESSES SAY THE ARTS OFFER NETWORKING OPPORTUNITIES TO DEVELOP NEW BUSINESS

2010 BCA National Survey of Business Support for the Arts

What might those rewards be? Interbrand, one of the world's top branding and brand management companies, says that strong brands can enhance business performance by:

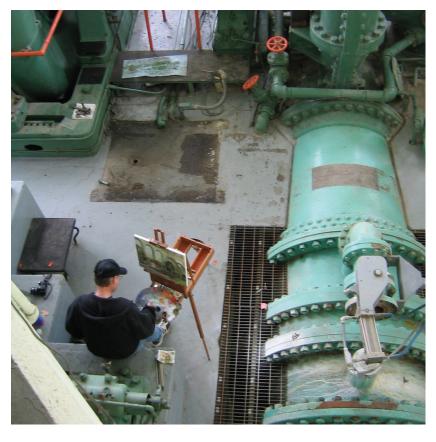
- influencing customer choice;
- creating loyalty;
- helping companies attract, retain, and motivate talent; and
- lowering the cost of financing.

Interbrand's assertions are supported by quantitative evidence showing that strong brands bring tangible business rewards. Consider the annual list of the World's Most Admired Companies (WMACs) that *Fortune* magazine and global management consultancy Hay Group have been publishing since 1997. Fortune describes the WMAC list as "the definitive report card on corporate reputations." While corporate reputations and brands are not necessarily synonymous, companies with powerful brands typically have positive reputations and vice versa.

What kind of companies make it onto the list of the World's Most Admired Companies? In 2015, some of the names on top of that list included Apple, Google, Berkshire Hathaway, Amazon.com, Starbucks, Walt Disney, Southwest Airlines, and American Express.

Companies with the strongest corporate reputations outperformed their competitors handily as measured by average total shareholder returns (TSR). Over a 10-year period, for instance, the average annual TSR for the WMAC global top 50 All Stars was 12 percent during a period of time when the S&P 500's average annual TSR was just 7.1 percent (Hay Group, 2013).

Barry Griswell, former Chairman and CEO of Principal Financial Group, believes that arts partnerships can help companies establish strong brands and win goodwill in their communities. For instance, when part of the Smithsonian Institution was closed for remodeling, Principal sponsored a cross-country tour of Smithsonian artwork called *Treasures to Go.* More than 500 pieces of art were exhibited in more than two dozen cities, with Principal clients invited to attend a preview of the collection at each stop along the way. "Things like that help build a brand," says Griswell. "They add a certain cachet to your company."







# THE THEORY IN ACTION

#### Case #1: Portland General Electric Company (PGE) Art Jams

Portland General Electric Company (PGE), an investor-owned public utility company, has been supplying Portland, OR and many of its surrounding communities with electricity for more than 100 years. Although PGE does not have competition in a given

service area, there are other municipal systems in some

nearby towns and at least one private competitor

serving portions of Portland. So PGE has reasons for wanting to have a favorable brand image and making sure that its customers see PGE as an asset to the community.

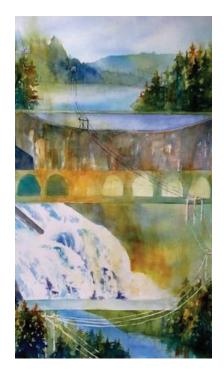
Building a brand typically involves creating a personal and emotional connection between a customer and a company, product, or experience. How could PGE create that personal, emotional connection with an invisible, intangible,

Left: Artist participates in PGE Art Jam.

Right, top: "North Fork" by Christopher Mooney, oil on canvas, Art Jam 2013.

Right, bottom: "Workshop Still Life" by Thea Kuziemski, photograph on aluminum plate, Art Jam 2013.

Left, bottom: "North Fork Textures" by Brenda Scott, Terra Cotta, Art Jam 2013.





Left: "Spill" by Connie Athman, watercolor, Art Jam 2013.

Right: "Wheels in the Dark" by Thea Kuziemski, photograph on aluminum plate, Art Jam 2013. and ethereal "product" like electricity that consumers could not taste, smell, or touch?

PGE saw an opportunity to showcase its physical spaces that customers rarely get to see. Independent graphic designer Lisa Wilcox and Willamette Falls Heritage Foundation Board Member Sandy Carter suggested that PGE could host artists in the unique spaces that PGE owns and operates. By partnering with artists, PGE could bring its brand to life while sharing these seldom-seen places with the community.

So in 2007, PGE Project Manager Deb Schallert secured approval for a dozen artists to gain supervised access to a PGE powerhouse for a two-day art-making event coined Art Jam. PGE invited photographers, painters, sculptors, and other artists into some of its hydroelectric plants to showcase the beauty and the history of these industrial sites, some of which date back to the late 19th and early 20th centuries when Portland was still somewhat of a frontier boomtown.

What motivated Carter to convince PGE to host the Art Jams? "Since I began my advocacy for the 19th-century industrial sites around Willamette Falls, I've always felt privileged to have access to these mysterious and historic places—places where work happened on a heroic scale in a stunningly dramatic setting, with only the workers for witnesses," she says. "The idea of giving a sort of once-removed access to the intrinsic power and beauty of these behind-the-scenes places through fine art, so that others could appreciate them, seemed breathtaking in its ambition."

Lisa Wilcox volunteered to select artists for the program based on their skills and passion for industrial history. The artists whom Wilcox chose to participate in the Art Jam

spent one day getting a tour of PGE's hydroelectric facility so they could decide where they wanted to focus their artistic energies. The second day they came back and created the art. "This was a beta test of a partnership idea for both sides," says Carter. "PGE helped us invent the framework and provided incredible support—from doughnuts, coffee, and lunches for the artists to the supervisory time and equipment we needed to keep everyone safe in and around the power plant for two days."

To make sure the Art Jam went smoothly, Schallert enlisted the help of hydroelectric engineer Bob Steele. "Our hydroelectric plants are safe industrial facilities, but we did give the participants—artists and support staff—a safety briefing at the beginning," says Steele, who has since retired. "Basically we asked them not to stick anything in the generators, flip any switches or push any buttons, and not to leave the main areas and go into any back corners without checking with the PGE staff. And if you see a flashing light that looks inviting, please don't touch it! The artists were thrilled to have the opportunity to do their thing inside an industrial facility while getting to see things they wouldn't normally have a chance to see."

After the event, the artists were given three months to create art based on their Art Jam experience. All the artists had agreed ahead of time to lend one piece of art to a touring exhibition that would give community members a chance to take a peek inside the historic PGE powerhouse. The art went on display under the slogan "Art Contemplates Industry" with a series of shows at a public library in West Linn, OR; the Providence Milwaukie Hospital; and finally PGE's downtown Portland headquarters.

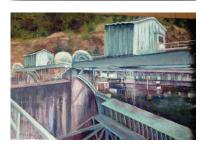
"It was really exciting for the engineers and other employees at PGE to see this art," says Schallert, who retired from PGE in 2015. "Some of them don't typically get a chance to visit these sites in person. And other engineers who do work in the power-houses were able to get a whole new perspective on the building and equipment."

After seeing the success of the programs on the Willamette River, the Estacada Area Arts Commission approached PGE about hosting Art Jams at powerhouses on the Clackamas River. "The town of Estacada owes its existence to the four Clackamas River hydroelectric powerhouses and dams that were begun in the early 1900s and are now owned by PGE," says Jane Reid, chair of the Estacada Arts Commission. "There are a lot of people here who work for the company or who have family members who worked on the powerhouses and the dams, but there are also a lot of new members in our community—many of them artists, musicians, and writers—who did not have as much knowledge about that shared history."

There are people who have lived in Estacada for decades, seeing glimpses of PGE facilities from afar, but never getting a chance to explore them up close. The Art Jams in Estacada and the resulting exhibitions at the town library and several local galleries have "generated a tremendous amount of goodwill toward PGE," says Reid. "The Art

We are so busy measuring public opinion that we forget we can mold it. We are so busy listening to statistics we forget we can create them.

Bill Bernbach (1911-1982), co-founder of Doyle Dane Bernbach advertising agency





Left, top: "Powerhouse Vision" by Janet Ronacher, recycled bamboo, crochet netting, fishing flies, bait, Art Jam 2013.

Left, bottom: "Ww = Weight of Water" by Eileen Holzman, pastel, Art Jam 2013.

Right: Oak Grove Art Jam.

Jams have renewed awareness of PGE's founding and sustaining role in our community."

Local resident Janette Kirchhofer concurs that the Art Jam exhibit gave her a new perspective on PGE and its industrial infrastructure. "I have lived in the Clackamas River area almost my entire life, and I had no idea that the dam had so much going on inside," says Kirchhofer, whose daughter Emma was one of the artists who participated in an Art Jam. "After seeing the hundreds of pictures that my daughter took, I was fascinated at the complexity of the powerhouse and found the details of the structures inspiring."

Reid also thinks the Art Jams have been received favorably by the PGE workforce. She typically helps to install the exhibitions at PGE's downtown headquarters. "As we hang the art, PGE employees come up to us and tell us they look forward to the annual exhibitions and love seeing the art going up on the walls," says Reid. "Many of these people are engineers who have a very scientific outlook, and I think it's fun for them to see their world interpreted through the eyes of artists. I think it makes them proud." In some cases, engineers and other employees at PGE have been so enthusiastic about the artwork that they have ended up purchasing pieces from the Art Jam exhibitions.

The Art Jam exhibitions have also helped spur stronger networks among PGE employees. "It turned out that there were a number of PGE employees who also practiced some artistic skill," says Steele. "Having the Art Jam shows at our headquarters brought those artistic employees together and ended up leading to the formation of an internal PGE employee art group."

The Art Jams have generated favorable coverage in local media outlets including the *Portland Tribune, Estacada News*, and *OregonLive* (the online counterpart to *The Oregonian* newspaper), and PGE has leveraged social media outlets such as Twitter and YouTube to raise further awareness of the Art Jams. These positive stories surely yeilded benefits for PGE's brand.

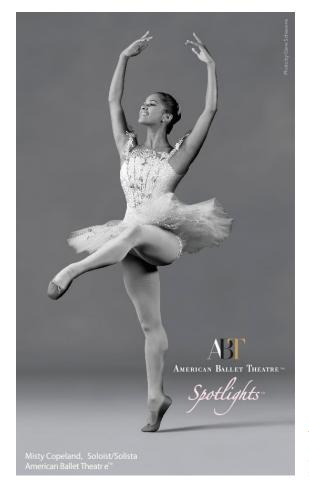
Schallert certainly feels that the Art Jams have strengthened PGE's image. "The Art Jams have given PGE high visibility in terms of supporting community pride, the arts, and bringing our company's history to life," she says.

#### Case #2: Payless ShoeSource + American Ballet Theatre

You recognize the importance of having a strong brand. You want to invest in building your brand, but you don't have the deep pockets to buy a television ad for the Super Bowl or rent a billboard in Times Square.

Yet you can still have a strong impact at a fraction of the cost by partnering with an arts organization and using a non-traditional channel—like the cover of a shoebox—to send a targeted message that aligns with your mission or values.

That's exactly what Payless ShoeSource did in 2006 when it partnered with American Ballet Theatre (ABT), America's national ballet company (as designated by the U.S. Congress).



Payless' advertisements featuring ABT dancers and products. You can find the Spotlights collection of dance shoes at Payless.com.

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Why would a footwear retailer want to partner with a dance company? Payless does not just sell dress shoes and athletic shoes, it also sells dance shoes—lots of dance shoes—and it does so at an affordable price point.

But affordability is only part of what makes a dance shoe appealing to a consumer. Quality is the other key consideration. In the world of professional dance, the ABT brand stands for excellence. A partnership with ABT could enable Payless to strengthen its brand image among the company's target audience of dance students.

So Payless contacted ABT with the idea of partnering on the creation of an improved and co-branded dance shoe. Any good arts partnership should benefit both the corporate and the arts partner, so Payless and ABT created a licensing agreement that includes royalties for ABT. The original shoe boxes that emerged from the agreement featured a photo of ABT soloist Sarah Lane, who was a great choice to symbolize the partnership since her first pair of ballet slippers were purchased at Payless.





As a touring company interesting in selling tickets to its performances and increasing its exposure, ABT could benefit from the national publicity of having its name and a photo of one of its dancers on shoeboxes in Payless stores across the country.

ABT's CEO Rachel Moore also recognized that youth ballet schools play a vital role in cultivating the next generation of dance fans. Some of these students might grow up to become dancers, others could be future audience members for ABT and other dance companies. So ABT had a vested interest in popularizing dance education and making sure that students were using comfortable and supportive dance gear.

ABT additionally wanted to ensure that the Payless dance shoes would live up to the quality expectations of its fans. "We agreed on the partnership—but only if we could work together to redesign Payless' ballet, tap, and jazz dance shoes so that the size, shape, and materials in the dance shoes would be better-suited and better-designed for young dancers in training," explains Moore.

Payless' advertisements featuring ABT dancers and products. You can find the Spotlights collection of dance shoes at Payless.com.

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Payless and ABT spent months collaborating to improve the dance shoes while still keeping production costs under control. "Our two organizations worked well together to produce a quality product at price levels that consumers value," says Director of Marketing and Brand Management at ABT James Timm.

As happens in the best partnerships, the Payless-ABT collaboration benefitted both parties. Analysis showed that the partnership helped Payless boost its brand image and increase sales, while ABT received financial benefits from the licensing agreement plus branding benefits from having high-quality co-branded dance shoes sold in Payless stores—and ultimately on the feet of dance students across the country.

## THE TAKEAWAYS

GE sees arts and culture as playing central roles in defining what makes a community. The company goes far beyond the Art Jams in supporting the arts and engaging with artists. Twenty percent of the grants its foundation distributes each year go to bringing arts education programs to schools across PGE's operation area. Its employees donate approximately \$1 million each year to regional arts organizations through Portland's Work for Art workplace giving program.

"As a company, we value the places where our customers live and the people for whom we generate power," says Rachel DeRosia, who works in PGE's Corporate Social Responsibility department. "Supporting arts and culture puts PGE front and center in developing a sense of place, helping to drive change, growth, and transformation for the region."

Surveys show that PGE's customers are well aware of the company's commitment to partnering with artists for the benefit of the community. PGE ranked second out of 100 utilities in a Q2 2015 customer satisfaction survey, with 74 percent of respondents agreeing that PGE added value to the community. The same survey found that an even greater percentage (79 percent) of customers agreed that PGE was a good corporate citizen.

As for the long-lasting Payless-ABT partnership, it would have been easier for Payless to just offer ABT money in exchange for permission to use the dance company's logo on its shoe boxes.

But it's doubtful that ABT would have agreed to put its name and imagery on a shoebox unless it felt confident in the quality of the Payless dance shoe within. By agreeing to a deeper partnership with ABT, Payless benefited from the dance company's design insights that allowed it to boost the quality of its shoes while laying the groundwork for a durable, mutually beneficial relationship that has yielded branding benefits for both companies.

That's the hallmark of a great partnership—a relationship where both parties contribute and both parties benefit.

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# THE QUESTIONS TO CONSIDER

- How strong is your corporate image in target markets among both customers and potential employees?
- To what extent do the arts play a role in defining and/or supporting your corporate brand?
- What steps can your organization take to gain a competitive advantage by strengthening its reputation as an artistic company and/or a company that supports the arts?
- Have any of your competitors already established a reputation as creative/artistic companies or arts partners? If so, how can you close this competitive gap by increasing the artistic reputation of your own company?
- Identify a few brands that you admire and try to analyze or deconstruct the extent to which arts partnerships or artistic branding have contributed to their success and/or your own admiration.
- How could your company partner with artists—or take advantage of your employees' own artistic skills—to improve or extend your brand reputation?
- Does your company have any assets similar to PGE's hydroelectric facilities that you could creatively utilize to help both employees and community members see your company in a new light?
- The partnership between Payless and ABT seems like a natural fit. Can you
  think of an arts organization that would be a logical match for your company's
  products or services?

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1000 Vermont Avenue NW 6th Floor Washington, DC 20005 T 202.371.2830 One East 53rd St. 2nd Floor New York, NY 10022 T 212.223.2787

www.AmericansForTheArts.org